

June 1, 2006 Minutes

Gillette, Wyoming

Attendance: Absent - Olson and Pope

1:00 – 1:30 Presentation by Don Likwartz, WOGCC – Powerpoint on Website

1:30 – 2:00 Presentation by Harry LaBonde, SEO – Powerpoint on Website

2:00 – 3:00 Presentation by John Corra, DEQ - Powerpoint on Website

Administrative Issues

Review of handouts

1. CBNG Task Force Schedule – Updated

2. Handout of budget

3. May 4, 2006 minutes

4. Wyoming State Geological Survey – Hydrogeologic Framework and Estimates of Groundwater Volumes in Tertiary and Upper Cretaceous Hydrogeologic Units in the Powder River Basin – Available for purchase from the WYGeological Survey, 307-766-2286 ext 224.

5. State Engineers permitting requirements

6. Aaron's draft matrix

7. Average, maximum and permitted discharges vs flow at USGS stations - DEQ.

Process

Tyrell requested that the majority of decisions be of a consensus nature. Seconded by Jones.

Corra requested to add a caveat that at some point they could take to a vote to see how far they are or to escape a log jam. Likwartz agreed.

The group agreed to the consensus.

Mission/Strategy – Draft by Corra, Likwartz and Tyrell.

A draft mission/strategy was handed out – The schedule was not in sync with Aaron's.

Corra and Aaron to work on schedule with a decision at July meeting.

Public Comment – Rules and Regulations

1. Rex Markley – Letter read by Childers.

2. Tim Barber, Yates Petroleum, 408 Frontage Road, PO Box 2560, Gillette, WY 82717, 307-682-4638 – Task force should be watching WYDEQ discharge permits.

Watershed planning and Section 20 implementation will have terrible consequences.

Section 20 requires 1 of 2 options. 1 – Discharge to reservoir that must be capable of containing produced water and 100 year flood. This is not practical. 2 - Go below irrigation right. This will force operators to perennialize ephemeral streams.

If leaseholder did not produce lease, the leaseholder may owe royalties to the mineral owner.

JC: 100 year storm event requirement is being reevaluated.

3. Philip Hoy – Owns 3 companies in Gillette, 307-682-7364. There is and upstream instream stock dam reservoir which leached into shallow sand aquifer and raised groundwater to 10 inches below surface on Mr. Hoy's property (he does not own the property with the reservoir). White material ½ inch thick has accumulated – 3 leach fields have failed – buildings have settled. \$800,000 worth of damage on property. SEO has no authority for quantity of water. DEQ could do very little. He has contacted upstream landowner. Has been in civil court and is very frustrated. Need changes in statute to deal with issue.

Has completed a 3rd party analysis. An individual has a hard time working through the civil process.

PC: Is there an appeal process to DEQ/SEO decisions? JC: DEQ has appeal process through the Environmental Quality Council. Hoy was told that no law is available to protect from high water levels.

DL: WOGCC decisions can be appealed to WOGCC board. PT: If no decision, then there is nothing to be appealed. Problem is with old permits.

Beneficial use to wildlife overrides damage to business and landowners.

Hoy's recommendation: What about a special committee or arbitration board? Individuals do not have money to go via court system. SEO or DEQ needs to be able to deal with quantity and impacts on groundwater.

4. JoAnn Tweedy, Landowner, Gillette, WY – CBM water is good for many ranchers. There are multiple benefits. Keep the toolbox of options open.

Utilize mediation when there are conflicts with downstream landowners.

5. Orville Carson, Campbell County Resident – Tripled output on ranch, water is all contained.

6. James Wolf, Campbell County Resident – We have had positive results with 3 operators. Impound at a distance so the downstream landowner should not be affected.

7. Joel Ohman, Rancher – His property is fully developed. Very orderly progression from north to south. Main key to success was a mutual respect between split estate owners and adjacent neighbors. Keep a focus on facts in terms of quality and quantity and actual conditions.

8. Neil Schuman, CBNG Taskforce member – He received a comment from Robert Brug who indicated that landowners with minerals should be allowed to use CBM water on their land.

Public Comment – Technology

1. Bruce Bendorick - Thunder Basin Environment Consulting – Perfected a method from removing barium from CBM water. The process should be fully patented. Could be used as a pretreatment to extend the life of filters. His costs are two cents per barrel.

2. Doug Beagle – EMIT, Sheridan Wyoming. Uses the Higgins loop process for cation removal. Doug will give a full presentation in July. Brine needs to be treated. 1% brine ratio. Currently reinjecting brine. They are looking at meeting the DEQ requirements but they are looking at trying to coordinate with WY G&F about their concerns with various species of fish. Costs are contractual based.

Public Comment – Water Management

1. John Robitaille, PAW – Provided letter.
2. Orville Parsons, Arvada, WY
3. Budd Stewart, G&F CBM Fish Biologist – The problem is quantity and quality of water can alter the species of fish that have adapted to a very turbid, warm system. If they are subjected to large quantities of cool water, these species could disappear and invasive species could take over. Thresholds are not known.

If quality matched the river, quantity would still be an issue. Backwaters could disappear. Precipitation events could increase quantity, but in a matter of days, things return to normal.

4. Crusty Mathison – Mathison Drilling - Where does the water come from? Mark Doelger - Deposited with the formation and it will be attempted to be answered at the next meeting.

Meeting Adjourned.